

**Schedule 13**

**Funding Request for the FY 2015-16 Budget Cycle**

**Department of Health Care Policy and Financing**

PB Request Number R-16

**Request Titles**

R-16 Comprehensive Primary Care Initiative Funding

Dept. Approval By:	Josh Block		<input checked="" type="checkbox"/>	Supplemental FY 2014-15
			<input type="checkbox"/>	Change Request FY 2015-16
			<input type="checkbox"/>	Base Reduction FY 2015-16
OSPB Approval By:			<input type="checkbox"/>	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15		FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	FY 2015-16	Continuation
	Total	\$6,151,808	\$0	\$5,481,508	\$84,952	\$194,760
	FTE	-	-	-	-	-
Total of All Line Items	GF	\$2,225,315	\$0	\$1,918,265	\$42,476	\$97,380
	CF	\$727,500	\$0	\$727,500	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$3,198,993	\$0	\$2,835,743	\$42,476	\$97,380

Line Item Information	Fund	FY 2014-15		FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	FY 2015-16	Continuation
	Total	\$6,151,808	\$0	\$5,481,508	\$84,952	\$194,760
01. Executive	CF	\$727,500	\$0	\$727,500	\$0	\$0
Director's Office -	FF	\$3,198,993	\$0	\$2,835,743	\$42,476	\$97,380
General Professional Services and Special Projects	GF	\$2,225,315	\$0	\$1,918,265	\$42,476	\$97,380

Letternote Text Revision Required?	Yes	No	X	If Yes, describe the Letternote Text Revision:
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Cash or Federal Fund Name and CORE Fund Number:				FF: Title XIX
Reappropriated Funds Source, by Department and Line Item Name:				N/A
Approval by OIT?	Yes	No	Not Required:	X
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Schedule 13s from Affected Departments:	N/A			
Other Information:	N/A			



#### ***Cost and FTE***

- The Department requests \$84,952 total funds, \$42,476 General Fund, in FY 2015-16 and \$194,760 total funds, \$97,380 General Fund, in FY 2016-17.
- No FTE are requested with this Change Request.

#### ***Current Program***

- The Comprehensive Primary Care (CPC) initiative is a multi-payer initiative that began in 2012. It fosters collaboration between public and private health care payers for the purpose of improving client outcomes and containing costs through collaboration and coordination between payers and providers.

#### ***Problem or Opportunity***

- The CPC initiative strives for success through improving care coordination, but the lack of integrated data reporting across payers for participating practices is a persistent obstacle to that goal.
- A unique opportunity exists for the multiple payers in the CPC initiative to establish the necessary infrastructure to support an aggregated data reporting solution for primary care so that their patients can benefit from improved health outcomes and quality of care.

#### ***Consequences of Problem***

- Without continued funding, the Department would be unable to meet its share of the payer group's cost obligation, which may cause other payers to back out of the initiative. This would make the CPC initiative less likely to succeed, which would result in patients not realizing the health and care benefits that would otherwise be possible through care coordination and better health care delivery from primary care practices with aggregated data reporting across multiple payers.
- If the CPC initiative does not pursue an aggregated data solution, payers would continue to have incongruent solutions, with no incentive for collaboration among payers or payer resources without a mechanism through which payers can share the cost of implementing innovative technology solutions.

#### ***Proposed Solution***

- The Department requests funding for a single resource for practice reporting and consolidating multi-payer data within a practice, which would reduce the administrative burden of care coordination for primary care practices and enhance the continuity of care for clients who transition between payers.
- The aggregation of paid claims data from multiple payers within a practice would allow for the dissemination of claims-based performance measures to practices, resulting in clear and observable goals for practices to target. This would improve care coordination.
- Clients would experience improved health outcomes and quality of care due to continuity in care across payers and care coordination. The payers would achieve lower costs as care coordination positively impacts client health outcomes.
- The requested funding is Medicaid's share of costs to fund an aggregated data reporting solution with the other payers of the CPC initiative. Total costs consist of funding for the aggregated data solution platform, project management, payer group facilitation, and data analytics.



# COLORADO

Department of Health Care  
Policy & Financing

FY 2015-16 Funding Request | November 1, 2014

John W. Hickenlooper  
Governor

Susan E. Birch  
Executive Director

**Department Priority: R-16**

**Request Detail: Comprehensive Primary Care Initiative Funding**

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Comprehensive Primary Care Initiative Funding	\$84,952	\$42,476

**Problem or Opportunity:**

The Comprehensive Primary Care (CPC) initiative is a multi-payer initiative that fosters collaboration between public and private health care payers for the purpose of improving client outcomes and containing costs through collaboration and coordination between payers and providers and improved data infrastructure. While there would be a significant benefit from continued Department participation in the goals of the initiative, funding is not currently available for this purpose. Funding the State’s fair contribution of administrative expenditures related to implementation of the next goals of the initiative would be necessary to continue participation.

In the spring of 2012, the Centers for Medicare and Medicaid Services (CMS) began working with private health plans, Medicare, and Medicaid to bolster primary care by offering bonus payments to primary care doctors who better coordinate care for their patients. CMS also provides resources that allow doctors to better coordinate primary care, such as technical assistance through practice coaching, webinars, and collaborative learning. Aetna, Anthem Blue Cross Blue Shield, Cigna, Colorado Access, Colorado Choice, Rocky Mountain Health Plans, United Healthcare, and the Department signed Memoranda of Understanding (MOUs) with CMS and take part in the CPC initiative. These payers formed a payer group that has met monthly since May 2012 to coordinate resources and support for 74 participating practices statewide. The initiative focuses not only on cost reduction, quality of care, and improved health outcomes, but also on enhanced data reporting and analytics, quality measure development, and new payment methodologies.

While the CPC initiative strives for success through improving care coordination, the lack of integrated data reporting across payers for participating practices is a persistent obstacle to that goal. The payer group has identified the implementation of an aggregated data reporting solution as the next step in facilitating care coordination. Such a solution would centralize payer data within a practice; create and maintain a person-centered view across multiple payers; implement common metrics across payers for ranking, benchmarking, and longitudinal analysis; and allow for reporting and analyzing total cost of care across payers. Streamlining the secure production of agreed data elements in a standardized format for use by existing practice registries

or related clinical analytics tools would help produce credible comparative analytics and support productive alignment of individual payer programs and initiatives.

This aggregated data reporting solution is similar to the health information exchange (HIE) network that was funded during the FY 2014-15 budget cycle. However, this solution and the HIE network are different in fundamental ways. The primary difference is that the CPC initiative's aggregated data reporting solution is designed to support intra-provider data aggregation, while the HIE network is designed for inter-provider data exchange. The HIE network allows for the secure electronic exchange of Medicaid patient records, referrals, lab results, etc. among different health entities, such as primary care, hospitals, clinics, labs, and government databases. The aggregated data reporting solution undertaken by the CPC initiative seeks to provide a platform where all participating payers' client information can be consolidated in the same format, to allow for outcome benchmark and quality measure building across payers within a practice. Once this information is aggregated on a single platform with a universal format, physicians can strive toward health goals for all of their clients, not just those of a single payer. This solution benefits Colorado Medicaid, but also benefits private insurers and Medicare as well.

A unique opportunity exists for the payers to establish the necessary infrastructure to support an aggregated data reporting solution for primary care so that their patients can benefit from improved health outcomes and quality of care. At the same time, payers would enjoy future cost reduction through client care coordination and the ability to encourage best practices through targeted quality metrics that span multiple payers' clients, facilitating the delivery of preventive services. A single resource for practice reporting and consolidating multi-payer data within a practice would reduce the administrative burden of care coordination for primary care practices and enhance the continuity of care for clients who transition between payers. The aggregation of paid claims data from multiple payers within a practice would allow for the dissemination of claims-based performance measures to practices, resulting in clear and observable goals for practices to target.

Funding is necessary to continue the Department's participation in the CPC initiative, which is important to achieving progress in health outcome goals through the implementation of innovative technology and the exploration of health care in new ways by multiple payers.

***Proposed Solution:***

The Department requests \$84,952 total funds, \$42,476 General Fund, in FY 2015-16, and \$194,760 total funds, \$97,380 General Fund, in FY 2016-17 to support its share of the overall cost an aggregated data reporting solution for the remainder of the initiative. The group has agreed to a cost sharing mechanism among the payers based on the number of each payer's covered clients participating in the initiative. The Medicaid fair share, based on the proportion of Medicaid clients to all clients in the initiative, is approximately 21% of the total cost. A large portion of this funding would be one-time in order to implement foundational infrastructure. The remainder would be ongoing funding to maintain the infrastructure initially put in place.

The Department requests to support the CPC initiative with data and technical assistance from existing state contractors as necessary to ensure the successful implementation of data aggregation. Department support would include contracted services for continued payer group facilitation and project management through

the CEbP and administrative payer data provision, possibly through the All-Payer Claims Database (APCD) if selected by the payer group to supply data aggregation in a standardized format in year two.

If the requested funding is not approved, the Department would be unable to meet its share of the payer group's cost obligation, which may cause other payers to back out of the initiative. This would make the CPC initiative less likely to succeed, which would result in patients not realizing the health and care benefits that would otherwise be possible through care coordination and better health care delivery from primary care practices with aggregated data reporting across multiple payers. Payers would continue to have incongruent solutions, with no incentive for collaboration among payers or payer resources without a mechanism through which payers can share the cost of implementing innovative technology solutions.

#### ***Anticipated Outcomes:***

The requested funding would allow the CPC initiative to continue and incorporate the aggregated data reporting solution described above. A key goal of data aggregation is to provide practices with utilization, cost, and outcome reports for attributed patients in order to support individual practices in the development of effective strategies to improve health and lower costs. Clients would experience improved health outcomes and quality of care due to continuity in care across payers and care coordination. Primary care practices would benefit from reduced administrative burden for care coordination for their patients across all payers and be able to conduct effective quality improvement projects across their practice's population. The payers would achieve lower costs as care coordination positively impacts client health outcomes.

This initiative ties to the state plan by furthering the Department's goals of improving health outcomes and client experience and achieving lower per capita costs; sustaining effective external relationships with CMS and private health insurance payers; and providing exceptional service through technological innovation.

#### ***Assumptions and Calculations:***

The total cost of funding an aggregated data solution, project management, and payer group facilitation for the CPC initiative is estimated at \$1,425,880 over the course of two years. This cost consists of one-time funding to Rise Health, the aggregated data solution platform, in order to build necessary infrastructure for the data component of this request. It also includes ongoing funding for Rise Health, as well as the CEbP for project management and payer group facilitation services. All cost estimates are based on actual estimates from the proposed vendors.

The Department's share of the total cost is based on a tiered cost allocation methodology that was agreed upon by the payer group, based on the proportion of each payer's clients attributed to the 74 participating providers. The Medicaid proportion of clients is approximately 25%, which places Medicaid in the highest payment tier along with three other payers. The highest payment tier is responsible for 84% of total cost, and since there are a total of four payers at the highest tier, each payer in that tier is responsible for one-quarter of the total costs in the tier. Therefore, the Department's share of costs would be 21% of the total, which is \$299,435. The Department's first year costs are reduced by \$19,723, the amount that the State has previously paid the CEbP for costs related to CPC facilitation. The Medicaid share of total costs, after accounting for this credit, is \$279,712 for the two year total. The Department would receive a 50% federal financial participation (FFP) rate on its share of administrative costs.

The Department would also need to pay its share of costs by contributing to project management and payer group facilitation (CEbP). In the second year, the Department would pay the remainder of its portion of costs through additional funding mechanisms, such as a direct contract with vendors such as the Center for Improving Value in Health Care (CIVHC).

Table 1 outlines the breakdown of the Department’s share of costs among these cost sources.

Table 1: Medicaid Share of CPC Initiative Data Aggregation Costs			
Item	FY 2015-16	FY 2016-17	Total Funding
Data Extraction/Analysis	\$0	\$121,535	\$121,535
Project Management and Payer Group Facilitation (CEbP)	\$84,952	\$73,225	\$177,900
<b>Total Medicaid Costs</b>	<b>\$84,952</b>	<b>\$194,760</b>	<b>\$279,712</b>